



**THE PRESIDENTIAL CAMPAIGN,
THE IRAQ AND AFGHAN-
PAKISTAN WARS, AND THE
COMING YEAR OF
UNCERTAINTY**

Anthony H. Cordesman
Arleigh A. Burke Chair in Strategy
acordesman@gmail.com

May 21, 2008

It may not be polite to say so, but the US, the world, and the next Presidency will be far better off if none of the Presidential candidates take what they are now saying about Iraq and Iran, or are failing to say about Afghanistan, all that seriously. The appendix to this report compares the positions of all three candidates on these issues as reflected in their websites. Some take strong stands based on current perceptions, but it will be nearly a year before the next President is elected, sworn in, and has his or her team in place.

Shaping a new Presidency on the Basis of the Facts on the Ground in 2009

The next President will inherit new facts on the ground about two wars in January 2009, when he or she takes the oath of office. Even if the new President chooses to withdraw from Iraq, his or her actions will have only limited initial impact on the forces in play as the next campaign season begins in 2009. In practice, it may well take until June 2009 to get their senior appointments in place, and it will take months longer to do adequate planning and begin to execute a comprehensive strategy. In the real world, the next President may not be able to fully shape a policy for either war, and gather real momentum in implementing it, until the fall of 2009.

This means the new Administration may only be able to have its full impact on the Iraq and Afghan-Pakistan Wars after two military campaign seasons and a host of political developments from now. A pragmatic, realistic policy should not be based on the exigencies of political campaigning. It should be based on how events change between spring 2008 and mid to late 2009.

If things get steadily better in Iraq in the interim, it would be irresponsible to withdraw without recognizing that fact and seeking some form of victory. If things fall apart in ways that make Iraq security and stability impossible to achieve, it would be equally mindless to stay until 2013. Similarly, events in Afghanistan and Pakistan could either gravely weaken the Taliban and Al Qaeda or strengthen them. Iran seems less likely to change as the result of near term events, but no President should dismiss the possibility that diplomacy may have made progress in Iran and Iran may have moderated its actions in Iraq, the Gulf, and the rest of the Middle East.

The next President will also face a wide range of practical limits on his or her actions that campaign rhetoric cannot change. He or she will face the fact that it takes roughly 60-90 days to withdraw a brigade from Iraq, or to add one to Afghanistan in an orderly and well-structured fashion. He or she will also have to deal with new political realities as well as with the actions of our allies and regional powers in both countries.

The constraints imposed by US domestic politics and the existing national budget will be equally critical, as will the constraints imposed by new Congress – particularly if Senator McCain is elected President and the Democratic Party's majority in both houses is greatly increased. A new president inherits the last President's budget, and even if the new President can obtain the supplementals or budget legislation he or she needs, programs take time to initiate or terminate in an orderly fashion. The lead times in Iraq and

Afghanistan are long at best, and the ability to implement new programs is often severely restricted by a lack of qualified US personnel, major transport and infrastructure problems, a host of US legal and Congressional barriers, and a lack of host country competence and host county corruption.

Equally important, today's campaign rhetoric focuses far too much on the Iraq War to the exclusion of other issues. George W. Bush should be the last President who somehow decouples America's strategy and actions in Iraq from any clear position on the war in Afghanistan and Pakistan. The US cannot win the Afghan-Pakistan conflict by neglecting it, providing far too few resources, dividing it into Afghan and Pakistani elements, and only reacting to Taliban and Al Qa'ida initiatives after they have gained momentum. Iran is also a key player in Iraq and the Gulf, and US decisions on the Iraq War cannot be separated from a broader strategy that includes Iran and the region. So far, however, all three candidates have largely dodged the issue of how to shape an overall strategy for war fighting, have taken provided even more polarized positions on Iran than they have taken on the Iraq War, and have treated the Afghan-Pakistan war largely through slogans and neglect.

The Uncertain Realities of the Iraq War

How much can really happen over the coming months? The fact is that a great deal can happen, and no new President will be able to ignore the outcome:

The gains against Al Qa'ida in Iraq (AQI) and other violent extremist threats in Iraq will either continue, or Iraqi Sunnis will be alienated by the central governments slowness in integrating the Sons of Iraq into the Iraqi forces and new jobs programs, and broader failures to give Sunnis a fair share of power and state revenues.

The campaign starting in the Mosul area will be a key determining factor along with treatment of the Sons of Iraq and the way the government acts on the new "De Ba'athification" Law. No one can be certain, but by the time the new President takes office in January, it seems likely that much of the threat from AQI will have been reduced to terror attacks and bombings.

If the Iraqi central government reaches out to the Sunnis, it will have removed a key potential cause of civil war, and begun a process that should allow the US to make substantial force cuts and sharply reduce the cost of the war in blood and money. If not, the case for US strategic patience will have sharply eroded, the risk of civil fighting will be much higher, and the case for US withdrawals will be much stronger.

Much will also depend, however, on the ability to limit AQI and other violent organizations in carrying out suicide bombings and destabilizing attacks on the population, shrines, festivals, and other sensitive targets. It may well be impossible to stop AQI from some successes through the term of the next President. The political attitudes of both Iraqis and Americans will, however, be sensitive to how much

progress the ISF and MNF-I make, and how well the Iraqi government acts to deal with the damage and suffering that results from AQI attacks.

The intra-Shi'ite power struggle will either have evolved into a political struggle or seen a major new round of fighting between Al Dawa/ISCI and the Sadr movement and the JAM.

While any such predictions can easily prove wrong, the intra-Shi'ite power struggle and the role of Iran may be the most important factors shaping how the next President deals with Iraq.

The news may be good. So far, Sadr has backed away from an open military struggle against the government forces that have operated in Basra, Sadr City, and parts of the south. An Al Dawa/ISCI dominated mix of Iraqi security forces and US/British forces seem to have proved to be too strong for Sadr and most elements of the JAM to challenge in open combat, and they may be too strong for Sadr to challenge through some form of terrorism or indirect combat.

Sadr may also feel he had more to gain from a political struggle in the coming local/provincial elections, and the national elections in late 2009, than from a divisive fight. Iran also feels that betting on Sadr is too high a risk, and it would gain more from halting its flow of arms and training to the JAM and working with the Maliki government. At the same time, a political struggle between Shi'ite may make them more willing to compromise allowing them to make deals or form alliances with Sunnis and the Kurds. However, the end result may well have elements of continuing violence, be messy, and be unstable. If the end result is to marginalize the JAM, and the risk of serious intra-Shi'ite fighting, however, it could combine with the decline of AQI to create a far more peaceful environment in Iraq by the next presidency.

Alternatively, Sadr may turn back to violence, elements of the JAM may get out of control, and intra-Shi'ite violence may become far more serious than it has been to date. Sadr and the JAM may take the risk of creating a serious new terrorist threat to US (and ISF) forces, Iran may choose to encourage such intra-Shi'ite power struggles to try to expand its influence and push the US out of Iraq, and a new, low-level war of attrition may become institutionalized in the south and Sadr City.

Local and Provincial elections will or will not have been held and will or will not have had a positive effect.

The odds currently seem in favor of holding local and provincial elections, although nothing is certain and there is no clear picture yet of how the local and provincial balance of power will be shaped, whether the elections will be honest, and how today's national political factions will do at the local and regional level.

It does seem likely that any elections will create new centers of power within the Sunni and mixed areas of Iraq, as well as push Al Dawa, ISCI, the Sadr movement, and smaller parties like Fadhila into a power struggle in Shi'ite areas. There may also be new sources of political tension between the Barzani and Talibani factions of the Kurds.

The creation of new power centers, and a strong incentive to create real political parties with clear local and regional constituencies could, however, do much to help defuse sectarian and ethnic struggles, force the central government to spend in ways that do more to meet popular needs, and again act to create alliances that cut across ethnic and sectarian lines. The end result does not have to be efficient, it merely has to be more or less peaceful and create something approaching legitimate representation. Successful elections of this kind might do much to reduce violence in Iraq and ease the pressure for US force cuts.

There also, however, have been far too many elections throughout the world in recent years that proved to be the prelude to major power struggles over the legitimacy of the elections, and to fragmentation by sect and ethnicity. Local elections can create new and more clearly defined boundaries between Arab Sunni, Arab Shi'ite, and Kurd and be a source of violence in mixed areas.

No elections, deferred elections, and/or rigged elections could become a source of violence. In such instances, US and allied forces would face major problems in intervening. A major Sadrist victory in the south could be both anti-US and anti-central government. Campaigns run on sectarian and ethnic lines can make things worse, as could campaigns pushing hard-line positions for Kurdish autonomy or some form of Shi'ite federation. The fact that some ISCI leaders are pushing hard for a nine governorate Shi'ite federal area in the south could do much to raise Sunni and Shi'ite tensions.

The “Kurdish Issue” may largely be resolved or become a new source of crisis.

Years of friction between Arab, Kurd, and other minorities are still a source of tension, but it is far from clear if there will be large-scale violence. The UN team is making progress in finding a negotiated dividing for Kurdish autonomy and avoiding the kind of referendum that would force a vote on the basis of deeply mixed and divided governorates with ethnically mixed populations. Popular Kurdish desire for independence is tempered by leaders that see the risks of being a landlocked “island” between Iraqi Arab, Iran, Syria, and Turkey.

Iraq's oil revenues are being divided up in ways that favor the Kurds – some 17% of the money versus around 11-13% of the population – and it seems doubtful that any oil law that can be passed will make the Kurds the losers. The Kurds have a fair or more than fair share of the military and other elements of the ISF.

The “wild cards” are the constant risk of violence blowing up as the result of some incident in Mosul or Kirkuk, or power struggles in spite of UN and US efforts. The local and provincial elections due in October could just as easily help define the real limits of Kurdish influence and become major local ethnic power struggles.

If the “Kurdish issue” does lead to sustained violence, rather than incidents, then the next President will have to (a) decide how to use American influence, (b) whether it is serious enough to be a key factor leading to US withdrawals or force cuts, (c) what level of US commitment to the Kurds will be made if any, and (d) how any US decision relating to Iraq’s Kurds will affect US relations with Turkey, the rest of Iraq, Arab states, and Iran. All of these choices are best made when they have to be made, and on the basis of the facts at the time not prematurely.

Iraq may either have moved towards a modus vivendi in mixed areas such as Baghdad and its sectarian or ethnic fault lines, or seen these areas become new sources of conflict.

The US has achieved a kind of order in much of Baghdad and this may broaden to include Sadr City over the course of the summer and fall. The tensions in other mixed cities and areas, and along the various sectarian and ethnic fault lines scattered throughout Iraq also seem to be producing fewer acts of violence. If the Iraqis can make further major reductions in the violence in mixed areas of Baghdad, Ninewa, Salahideen, and Diyala Provinces, they would have a major impact in the areas that have been responsible for some 86% of the violence in Iraq in the first three months of 2008. This would sharply reduce the burden on both US and ISF forces, casualties, and the cost of operations. In addition, it will become another major step in speeding US force cuts and the transfer of responsibility to the ISF.

Much of today’s tension and violence is driven by the problems addressed earlier, and it is all too possible that only limited improvements will take place or that violence could get much worse. The improvements since the “surge” have been driven largely by the defeat of many elements of AQI and the Sadr ceasefire. As recent battles between the Al Dawa and ISCI controlled elements of the ISF and the JAM have shown, they could be reversed by even deeper fighting between and within Iraq factions.

Much will depend on just what happens in Baghdad and other mixed areas. Success or failure in the repatriation of over 2 million refugees, relocation or aid to some 2 million more internally displaced, and finding a solution to the problem of lost housing and property will be critical to determining the outcome. So will the intensity of various forms of ethnic and sectarian cleansing. The level of kidnappings and criminal activity may also be as important as killings and woundings.

Once again, however, major progress in even one area like Baghdad could greatly reduce the pressure on US forces and the pressure for rapid withdrawals. Conversely, open civil war in Baghdad might make maintaining a US presence in Iraq untenable.

The legal structure of political accommodation will either have become more real or remain so weak, as to be a source of rising instability.

The State Department summarized progress, as of May 2008, as follows:

- *Provincial Elections*: The CoR is currently reviewing the law, which will set the legal basis and structure of provincial elections.
- *Hydrocarbons Package*: The level of control allocated to the central government in the July 2007 draft version of the Framework Law (currently in CoR Committee) is the key point of disagreement; there may be more progress on the Revenue Management Law, currently with the Shura Council, in the coming months.
- *Amnesty Law PASSED*: CoR approved the law on February 13; the law was signed by the Presidency Council February 26 and was implemented March 2.
- *Pensions Amendment PASSED*: Published in the Official Gazette December 2007.
- *De-Ba'athification PASSED*: Approved by default by the Presidency Council February 2008. Reform Published in the Official Gazette in mid-February.
- *Provincial Powers PASSED*: CoR approved the law on February 13; the law was vetoed by the Presidency Council February 26. The veto was rescinded on March 19.

Progress remains slow, and a number of key issues – federation, revision of the constitution, the role of religion in law and society – remain unaddressed. At the same time, progress is occurring at a rate that may be as fast as the existential issues that divide various Iraqi factions can permit. Moreover, oil revenues are increasingly being shared in ways that ease sectarian and ethnic tensions. The key issue is whether an acceptable set of actual practices begins to be put in place within the next 12 months.

It should be noted that there has been far too much Congressional emphasis on formal legislation. Passing laws is only part of the story; creating facts on the ground is what counts. Both the US and Iraq need oil laws which not only fairly share the money and reserves, but move Iraq towards renovating its fields, expanding refinery and product production, and put Iraq on the path to steadily increased export income.

If the next President takes office at a time that Iraqis see real world progress in some areas, and believe progress will continue, this will be another major factor that will greatly ease the strain on US forces and the pressures for internal conflict in Iraq. If the process stalls, or laws and practices are seen to fail or serve sectarian and ethnic interests, the central government and the entire political system may lose credibility and the case for continued US presence and strategic patience may sharply diminish.

Iraqi forces will probably have reached the point where there either is a clear promise that the Iraqi Army and other viable elements of the Iraqi security forces (ISF) will steadily take over from US forces, or they will either be seen as a failure or as caught up in Iraq's sectarian and ethnic conflicts.

Progress will be relative. MNSTC-I and the Iraqi Ministry of Defense had made it clear that Iraqi forces will not be ready to take over the counterinsurgency mission before 2012, and that major problems still exist in creating an effective Iraqi police force. The fact remains, however, that the ISF continues to grow and some elements are becoming much more effective.

The Department of Defense has helped to create unrealistic expectations by exaggerating ISF progress. For example, its latest quarterly report to Congress states that the Iraqi Army (IA) now has some 193,000 trained and equipped personnel, and some 102 battalions "capable of planning, executing, and sustaining COIN operations with or without Iraqi or Coalition support." Other US reporting shows that the IA only had an authorized field force of 141,576 in late January 2008, and that only 114,677 of this total was present for duty even by the most generous possible reporting standard. Eight out of 12 Iraqi divisions had less than 80% of their authorized manning, and most Iraqi forces had shortages of officers and NCOs. The National Police at best added nine more battalions and some 33,000 more men to this total, and the Iraqi Special Operations forces added at most 3,500.

Nevertheless, there now are some 50,000 or so relatively capable IA forces and it seems probable that at least half of the battalions being described as "capable of planning, executing, and sustaining COIN operations with or without Iraqi or Coalition support" were at least moderately capable *without* Coalition support.

The practical question for the next President is whether he or she will be able to increasingly rely on the ISF, cut US forces from the level of roughly 140,000 men and women planned for December 2007, reduce the role of US forces in combat, and move towards what General Petraeus has called strategic overwatch.

If expanding the size and role of the ISF can reduce both the size of US deployments and the cost in blood and dollars early in the next Presidency, this would sharply reduce the political pressures on the new President. The savings in dollars alone would have a major impact. Work by the Congressional Budget Office estimates that

"Under the combat scenario that CBO considered, the United States would maintain a long-term presence of approximately 55,000 military personnel in Iraq, deploying military units and their associated personnel there for specific periods and then returning them to their permanent bases either in the United States or overseas. The scenario also incorporates the assumption that units deployed to Iraq would operate at the same pace and conduct the same types of missions as the forces currently deployed there. In CBO's estimation, this scenario could have one-time costs of \$4 billion to \$8 billion and annual costs of approximately \$25 billion. (All costs...are expressed as 2008 dollars.)

"Under the non-combat scenario that CBO analyzed, the United States would maintain a long-term presence of approximately 55,000 military personnel in Iraq by indefinitely stationing

specific units at established bases there in a manner similar to the current practice of assigning personnel to units based in Korea or Germany. The scenario incorporates the assumption of much less intense military operations than those under the combat scenario. Under this non-combat alternative, units stationed in Iraq would rarely, if ever, be engaged in combat operations. Up-front costs (mainly for construction) under the non-combat scenario would be approximately \$8 billion, with annual costs of \$10 billion or less, CBO estimates. (For the full text, see Congressional Budget Office, "The Possible Costs to the United States of Maintaining a Long-Term Military Presence in Iraq," September 2007.)"

These changes would take at least several years to fully implement under the best possible conditions, but would reduce the dollar price of the war to a small fraction of the costs the US is now paying. In fact, the CBO estimate is roughly the same for an entire fiscal year what the US paid per month during the peak spending period in 2007.

No one can now determine whether, and how soon, such shifts are possible. Regardless of who is elected, it will be difficult to maintain currently planned US force levels and extremely difficult to get Congressional support for a new series of reinforcements or "surge." At the same time, if the ISF is strong enough to create predictable reductions from 15 to 10 brigade equivalents, with a good prospect of reductions to give brigades in a largely non-combat role by 2012-2013, there will be far less incentive for some kind of fixed schedule to withdraw that is independent of progress in Iraq.

The level of US casualties will either have dropped sharply or be a major political problem.

American political attitudes towards the war are driven by many factors, but the level of US killed and wounded is clearly one of them. The fighting in 2007 raised casualties during the peak period in the campaign against AQI, and then sharply reduced them. Casualties rose again in March 2008, with the fighting in Basra and Sadr City, but now seem to be dropping significantly.

It is not possible to predict the future level of fighting, but some historical perspective seems useful. According to the Department of Defense Manpower Data Center

- US casualties vary sharply according to the intensity of the fighting. The peak in 2003, for example, did not occur during the defeat of Saddam's forces (58 killed and 208 wounded in March; 51 killed and 340 wounded in April), but in the fall as the insurgency took hold (33 killed and 413 wounded in October; 70 killed and 336 wounded in November).
- Casualties in 2004 reached lows of 12 killed and 150 wounded in February, but reached highs of 126 killed and 1,215 wounded in April and 126 killed and 1,431 wounded in November.
- The swings in casualties were more moderate in 2005. The reached lows of 31 killed and 371 wounded in February, and highs of 77 killed and 541 wounded in August and 77 killed and 607 wounded in October.
- In 2006. The low month was March, with 27 killed and 499 wounded. In October, the total was 99 killed and 781 wounded, and there were 96 killed and 706 wounded in October.

- The “surge” raised casualties from 70 killed and 519 wounded in February to a peak of 120 killed and 658 wounded in May and 93 killed and 754 wounded in June. Casualties began to drop sharply by August (55 killed, 565 wounded), and were much lower by the end of the year (28 killed and 203 wounded in November; 14 killed and 212 wounded in November).
- Casualties rose again in 2008, particularly after the Maliki offensive in Basra. (36 killed and 326 wounded in March; 42 killed and 323 wounded in April). They did not go back to anything like the peak levels of 2007, and may drop significantly if the Sadr ceasefire holds for any length of time.

The key issue for the next President will be the prospects from January 2009 onwards. High casualties will make it far more difficult to stay. A major reduction in casualties will make it far easier

Iraqi money versus US and other foreign funding.

The overall cost of the war in dollars is equally unpredictable, but will be a key factor. No one can dispute the fact that the cost of the Iraq and Afghan-Pakistan Wars will probably be over one trillion dollars by January 2009. The practical policy issue, however, will be whether the future financial burden is justified. A sunk cost is a sunk cost, no matter how productive or unproductive it may have been. The policy challenge is always future opportunity costs and not the past.

The US is already phasing out much of its development aid and transferring fiscal responsibility to Iraq. Creating more formal plans that make it clear that Iraq must assume full responsibility by 2010 or 2011 would give Iraq ample time in which to act while putting growing pressure on the Iraqi government over time.

The State Department’s April 9, 2008, *Weekly Status Report* indicates that the US has already disbursed \$19.1 billion out of a total of \$20.3 billion in past IRR I & II aid. The current US economic aid request for FY2009 is evidently around \$700 million. Phasing that level down to the minimum necessary to maintain US influence and leverage in critical areas does not present a major challenge.

Moreover, for all of the Congressional complaints that Iraq has not paid for its own aid in the past, the SIGIR report on Iraq for April 2008 shows that a total of \$50.33 billion worth of Iraqi funds have already been allocated to development. Some \$38.4 billion of this came from the Iraqi capital development budget for 2003-2008. This compares with a total of \$20.9 billion in US IRRF funds, \$3.2 billion in ESF aid funds, and \$ 4.1 billion in other aid funds. (The US funded an additional \$15.4 billion on Iraqi force development and \$2.7 billion in Commander’s Emergency Relief Program (CERP) aid used to support US operations and groups like the Sons of Iraq.)

The SIGIR report for April 2008 notes both the opportunities and problems involved in getting Iraq to take over the burden of funding governance, economic development, and the Iraqi security forces:

Approximately \$10 billion in U.S. relief and reconstruction money remains to be obligated, of which 43% is in the ISFF for the support of the Iraqi Security Forces (ISF). The Multi-National Security Transition Command- Iraq (MNSTC-I) manages ISFF programs to help the Ministries of Interior and Defense provide training, facilities, and equipment to the ISF.

...In 2003-2004, U.S. contributions comprised more than 50% of the funds used for Iraq's reconstruction—about \$23 billion—while \$16 billion in Iraqi money was spent for this purpose, coming from the Development Fund for Iraq (DFI), Iraqi budgets, and seized and vested Iraqi funds.

By 2007, the burden for funding reconstruction had shifted to the GOI: Iraq's capital budget last year allocated \$10 billion for relief and reconstruction, while the U.S. provided \$9 billion in new money, most of which supported the ISF. In Iraq's 2008 budget, the GOI committed more than \$13 billion for capital investment. Figure 1.2 shows the U.S. and Iraqi shares of Iraq reconstruction funding.

Iraqi oil income, forecasted in 2003 to be the primary pool of capital for post-war reconstruction, now has become the chief funding source for the country's infrastructure investment program. The oil revenue windfall clearly manifested itself this quarter. Oil income since January 1, 2008, exceeded \$18 billion, as outputs and exports maintained post-invasion record levels and the price per barrel reached historic highs. Since 2003, the cost for a barrel of Iraqi oil— which is lower than the prevailing OPEC rate— increased by 250%. If prices, outputs, and exports continue at current levels, oil revenues for 2008 could reach \$70 billion, double what the GOI anticipated.

The rise in Iraq's oil revenues began in 2007 when the GOI collected \$41 billion in oil revenue, 27% higher than anticipated estimates. Monthly oil income more than doubled during 2007, rising from \$2.4 billion in January to \$5.3 billion in December.

...The significant increase in Iraq's 2008 national income underscores the importance of improving the GOI's capacity to execute its budgets, especially its capital budgets. According to the U.S. Embassy in Iraq, the GOI executed 67% of its overall 2007 budget, a significant improvement over 2006, when it executed just 23%. Iraq's ministries spent their capital budgets at a much lower rate last year, expending only 51%, or about \$4 billion.

Similarly, the provincial governments across Iraq experienced challenges expending capital budgets in 2007, reportedly executing at an average rate of about 31%. Deputy Prime Minister Barham Salih said this quarter that the GOI will issue a supplemental budget later this year to appropriate the new oil income. This supplemental budget presents an extraordinary opportunity for Iraq to expand its infrastructure investment, but it also heightens concerns about corruption.

Iraq's burgeoning economic situation accentuates how important it is that 2008 truly becomes "The Year of Reconstruction and Anticorruption," as Prime Minister Maliki dubbed it in January. The Prime Minister's recent comments during trade-talks in Belgium with the European Parliament may have reflected an interesting effect of the oil windfall. "We are a rich country," he said. "We don't need funds; we need technical assistance."

Similarly, the SIGIR report for April 2008 notes that,

Iraq projects that it will spend \$9 billion this year on security and expects to spend \$11 billion in 2009. In his April testimony before the Congress, General Petraeus noted that U.S. requests for the ISFF for FY 2009 have subsequently been reduced to \$2.8 billion from \$5.1 billion in FY 2008. The United States currently is providing 25% of the funding for ISF (down from 43% in 2007),

It may well take the entire term of the new President to make Iraqi revenue collection, budget allocation, and spending efficient enough to meet Iraqi needs and to reduce corruption to more acceptable levels. However, Iraq already faces a future where US and other aid will be cut to a minimum, and where it must take over the cost of building Iraqi forces and most development by no later than 2009.

The practical question will be how well the Iraqi government does this, and how convincing its efforts will be to the new President, Congress, and the American people. The US will almost certainly need to sustain substantial aid, if for no reason other than to maintain leverage and influence over Iraqi efforts at political accommodation, economic

development, governance, and the expansion of the ISF. In practical terms, however, much will depend on whether Iraq can reduce the combined need for security and economic aid to levels of several hundred million dollars a year, as well as show both Iraqis and Americans that it has clear goals for largely phasing out dependence on US and foreign aid for both development and security.

The Afghan-Pakistan War

There are only limited linkages between the course of the Iraq War and the course of the Afghanistan-Pakistan conflict. Al Qaeda in Iraq only became tied to Al Qaeda long after its formation and as a loose affiliate. Bin Laden and the core movement of Al Qaeda have limited Iraqi support and play only an indirect role in Iraqi affairs. A US withdrawal from Iraq, or the collapse of the US-backed government in Iraq, will, however, be seen as a major Al Qaeda victory. Somewhat paradoxically, Al Qaeda may benefit even if it is the Shi'ites who win in Iraq, and there is a major growth of Iranian influence, because this will do so much to polarize Sunni and Shi'ite. The negative impact being that the US will be blamed by most Sunnis, and Al Qaeda would be able to capitalize on the result.

The pressure to cut US forces in Iraq will be eased if the US, NATO/ISAF, and the Afghan government are making progress in Afghanistan. It will be far worse if the Taliban, HiG, and other hostile Islamist forces make gains in Afghanistan and Pakistan. In addition, if Pakistan remains unstable, and if the Taliban and Al Qaeda are making gains in the FATA area pressure can increase. How much worse, however, is difficult to calculate and the problem of Pakistani stability may ultimately be more important than limited Taliban gains in Afghanistan. Any form of lasting Al Qaeda-Taliban sanctuary in Pakistan would be a major source of terrorist threats in the West and terrorist and insurgent pressure within Arab and other Muslim states.

What is clear is that that the relative level of progress or failure in both wars will do much to determine the problems and strains the next President actually finds within the US military. Gains in either or both wars will reduce the strains, especially on the Army and Marine Corps. Ironically, so will total failure in Iraq if it means redeploying US forces. What would be far more problematic would be a lingering struggle in both Iraq and Afghanistan that kept US deployments at levels around 10 combat brigade equivalents or above. The next President will, after all, have to deal with total deployments over time, and the possibility of the long term need for 2-5 brigade equivalents in Afghanistan, rather than just the deployments in Iraq.

Iran and the Gulf

Whatever the next President does in regard to Iraq, he or she will face major challenges in the Gulf region that relate to the Iraq War. If there is a reasonable degree of stability and security in Iraq, the next President will still have to deal with the fact that Iran will continue to be a significant influence in Iraq, pose at least a political and indirect threat to Iraq, or be both. If the US is effectively forced out of Iraq, chooses to withdraw, or is reduced to a limited role in an unstable state, Iran will become a far more important issue.

The Iranian Challenge in Iraq and the Gulf

Iran's role in Iraq, and potentially its role in Afghanistan, will be a critical challenge to the next President taking office, regardless of how he or she decides to deal with the US presence in Iraq. It is impossible to estimate the influence Iran will have over Iraq if the US withdraws from Iraq, but it might well exploit the Shi'ite side of any tensions or power vacuum. If Iran can achieve a span of influence that includes Iraq, Syria, and Lebanon, its role in the region will be greatly strengthened. Iran can also potentially exploit ties to Hamas, and Shi'ite-Sunni tensions in Saudi Arabia, Bahrain, and Yemen, as well as Shi'ite minorities in Kuwait and the UAE.

In either case, Iraq will only be part of the broader challenges that the next President faces in dealing with Iran. The others include Iranian nuclear weapons and missiles, Iran's growing capabilities for asymmetric warfare in the Gulf, and Iran's growing influence in the region.

These issues cannot be resolved by refusing to talk to Iran or the rhetoric about an "axis of evil" and a terrorist state. They cannot be resolved by talking about dialog without preconditions unless there are very clear conditions for Iranian action once dialogue begins. They especially cannot be resolved by talking about "obliterating" Iran as if the mistakes of its leaders were a rationale for attacks on its people. Once a new President takes office, he or she must again deal with both the then current realities in Iran on a pragmatic basis and with the broader problems affecting US policy in the Gulf.

Dealing with the Gulf and Other Arab States

The next President also has to either persuade the Arab Gulf states to support progress in Iraq or explain US failure and withdrawal. Progress is obviously the easier option, particularly since it depends on easing Sunni and Shi'ite tensions and improving security – the key reasons most Arab states are now slow to back the government. The next President will have to link his or her policy towards Iraq to restoring America's reputation and influence in the Southern Gulf, to ensuring that the US maintains its security relations with the Southern Gulf states, and that the US maintains bases and contingency facilities in Bahrain, Kuwait, Qatar, Oman, and the UAE.

Achieving these objectives will clearly be easier if the US succeeds in Iraq and harder if it fails, but any extension of a "domino theory" into the Gulf region pushes the limits of credibility. The Southern Gulf states will need the US even more if Iraq goes sour than they do today, and will see Iran as even more of a threat.

The Continuing Reality of Energy Import Dependence

It should also be noted that if there is any area where all candidates tend to talk in terms of political fantasies, it is the area of energy policy and independence from energy imports. The US not only is dependent on a global economy which is dependent on Gulf oil and gas exports, the US Department of Energy has not found a single contingency case in its Annual Energy Outlook or other energy research that would bring US oil imports below 50% of total consumption before 2030. No candidate has proposed policies that would credibly affect US strategic and economic dependence on the Gulf

Win, Lose, or Stalemate, the New President Should Not Be Bound By Campaign Rhetoric and Promises

The next President will have to deal with the reality that the US still has potential opportunities to win the Iraq and/or Afghan-Pakistan war but cannot be certain of victory in either conflict. He or she will be limited by the fact that the US will have great leverage and influence in Iraq and Afghanistan, but will not have control, and Iraqi and Afghan political and military developments will be very much in play. This means that the next President will need to adopt pragmatic, reality-based policies based on the course of events over the next the coming year.

No candidate has a yet begun to address this complex mix of issues with the depth and credibility that will be needed by a new President, and this analysis has ignored the fact that the new President will also have to deal with the Arab-Israeli peace process.. At the same time, it is probably unfair to ask that any candidate try to deal with these issues in real depth before taking office. US political campaigns almost demand polarization, partisanship, and mindless oversimplification. Accordingly, Americans, and the world, should pray that none of the candidates ever deal with any major issue discussed in this paper, on the basis of what they say before they are elected.

Appendix One

The Candidates on the Iraq War, Afghanistan-Pakistan Conflict, and Iran:

Web Site Positions in Late May 2008

I. Iraq War:

John McCain:

The importance of succeeding:

- John McCain believes it is strategically and morally essential for the United States to support the Government of Iraq to become capable of governing itself and safeguarding its people. He disagrees with withdrawing American troops before that has occurred. McCain states that it is a grave mistake to leave before Al Qa'ida in Iraq is defeated and before a competent, trained, and capable Iraqi security force is in place and operating effectively. The U.S. Must help the Government of Iraq battle those who provoke sectarian tensions and promote a civil war that could destabilize the Middle East. Iraq must not become a failed state, a haven for terrorists, or a pawn of Iran. Failure would either require us to return or draw us into a wider and far costlier war. The best way to secure peace and security is to establish a stable, prosperous, and democratic state in Iraq that poses no threat to its neighbors and contributes to the defeat of terrorists. When Iraqi forces can safeguard their own country, American troops can return home.

Support the successful counterinsurgency strategy:

- John McCain has been a leading advocate of the “surge” and the counterinsurgency strategy carried out by General David Petraeus.
- Supported sending reinforcements to Iraq to implement a classic counterinsurgency strategy of securing the population. Gains would be lost if we were to withdraw most of our troops and leave behind only a small “strike force” to battle terrorists.
- Advocates continuing the successful counterinsurgency strategy that began in 2007.

Push for political reconciliation and good government:

- More progress is necessary. The government must improve its ability to serve all Iraqis. A key test for the Iraqi government will be finding jobs in the security services and the civilian sector for the “Sons of Iraq”.
- Believes we should welcome a larger United Nations role in supporting the elections. The key condition for successful elections is for American troops to continue to work with brave Iraqis to allow the voting to take place in relative freedom and security. Iraqis need to know that the U.S. will not abandon them,

but will continue to press their politicians to show the necessary leadership to help develop their country.

Get Iraq's economy back on its feet:

- John McCain believes that economic progress is essential to sustaining security gains in Iraq.
- Must move young men away from the attractions of well-funded extremists, we need a vibrant, growing Iraqi economy. The Iraqi government can jump-start this process by using a portion of its budget surplus to employ Iraqis in infrastructure projects and in restoring basic services.
- The international community should bolster proven microfinance programs to spur local-level entrepreneurship throughout the country. Iraq's Arab neighbors, in particular, should promote regional stability by directly investing the fruits of their oil exports in Iraq.
- The private sector, as always, will create the jobs and propel the growth that will end reliance on outside aid. Iraq's government needs support to better deliver basic services—clean water, garbage collection, abundant electricity, and, above all, a basic level of security—that create a climate where the Iraqi economy creation can flourish.

Call for international pressure on Syria and Iran:

- Syria and Iran have aided and abetted the violence in Iraq for too long. Syria has refused to crack down on Iraqi insurgents and foreign terrorists operating within its territory. Iran has been providing the most extreme and violent Shi'a militias with training, weapons, and technology that kill American and Iraqi troops.
- The answer is not unconditional dialogues with these two dictatorships from a position of weakness. The answer is for the international community to apply real pressure to Syria and Iran to change their behavior. The United States must also bolster its regional military posture to make clear to Iran our determination to protect our forces and deter Iranian intervention.

Level with the American people:

- Believes it is essential to be honest with the American people about the opportunities and risks that lie ahead. They deserve a candid assessment of the progress made in the last year, of the serious difficulties that remain, and of the grave consequences of a reckless and irresponsible withdrawal.

Barack Obama:

“I thought our priority had to be finishing the fight in Afghanistan. I spoke out against what I called 'a rash war' in Iraq. I worried about, 'an occupation of undetermined length, with undetermined costs, and undetermined consequences.' The full accounting of those costs and consequences will only be known to history. But the picture is beginning to come into focus.”

- Opposed the war in Iraq from the beginning.
- Introduced legislation to responsibly end the war in Iraq, with a phased withdrawal of troops engaged in combat operations.
- Immediately begin to pull out troops engaged in combat operations at a pace of one or two brigades every month, to be completed by the end of next year.
- He calls for a new constitutional convention in Iraq, convened with the United Nations, which would not adjourn until Iraq's leaders reach a new accord on reconciliation.
- Use presidential leadership to surge diplomacy with all of the nations of the region on behalf of a new regional security compact.
- Would take immediate steps to confront the humanitarian disaster in Iraq, and to hold accountable any perpetrators of potential war crimes.

The surge is not working:

"The stated purpose of the surge was to enable Iraq's political leaders to reconcile. They have not done so...Our troops fight and die in the 120-degree heat to give Iraq's leaders space to agree, but they are not filling it... The bar for success is so low that it is almost buried in the sand."

Iraqi Government Not Stepping Up:

- The Iraqi government has not stepped up.
- Iraqi government has not enacted legislation to meet critical benchmarks on de-Ba'athification, oil revenue sharing, provincial elections, amnesty, and militia disarmament that are key to beginning national reconciliation.

Uneven Gains Not Sustainable Without Iraqi Action:

- Iraqi Security Forces must take responsibility for holding the security gains created by the surge, but they are not doing so.

Success in Anbar Province Not Related to Surge:

- Reduced violence in Anbar Province is the result of cooperation between American forces and Sunni tribes, which started more than 18 months ago, long before the surge.
- This does not demonstrate the success of the surge; it demonstrates that the solutions in Iraq are political, not military.

American military cannot sustain current strategy in Iraq:

- Military Stretched Thin, severely strained by repeated and lengthy deployments.

A substantial, immediate redeployment of American troops:

"There is no military solution in Iraq"

- All Combat Troops Redeployed by 2009: Barack Obama would

Immediately begin redeploying American troops from Iraq. The withdrawal would be strategic and phased, directed by military commanders on the ground and done in consultation with the Iraqi government. Troops would be removed from secure areas first, with troops remaining longer in more volatile areas. The drawdown would begin immediately with one to two combat brigades redeploying each month and all troops engaged in combat operations out by the end of next year.

Residual Force to Remain:

- American troops may remain in Iraq or the region. These American troops will protect American diplomatic and military personnel in Iraq, and continue striking at al Qaeda in Iraq. If Iraq makes political progress and their security forces are not sectarian, we would also continue training the Iraqi Security Forces. In the event of an outbreak of genocide, we would reserve the right to intervene, with the international community, if that intervention was needed to provide civilians with a safe haven.

Withdrawal is the Best Way to Pressure Iraqi Government:

- Drawing down our troop presence is the best way to finally apply real pressure on the Iraqi government

A new effort towards Iraqi national reconciliation

- A United Nations-Led Constitutional Convention: United Nations convene a constitutional convention in Iraq that would include representatives from all levels of Iraqi society.
- Refuse to Provide U.S. Assistance to Sectarian Actors: crack down on the use of American foreign assistance to sectarian ends or by sectarian actors

A diplomatic surge in the Middle East: "At every stage of this war, we have suffered because of disdain for diplomacy...We need to launch the most aggressive diplomatic effort in recent history to reach a new compact in the region. This compact must secure Iraq's borders, keep neighbors from meddling, isolate al Qaeda, and support Iraq's unity."

- Support for Iraqi Stability: work with Kurdish leaders to come to an accommodation with Turkish leaders who see the Kurdish ascendance as a threat. Press Sunni Arab states to use their influence to encourage Iraqi Sunnis to reconcile. Press Iran, Syria, and Saudi Arabia to stem the flow of foreign fighters, arms, and financial resources into Iraq.
- A tough negotiator with Syria and Iran, sending a clear message that they need to stop meddling in Iraq's affairs.

Prevent the War's Spread beyond Iraq

- Promote a regional compact that would ensure commitments by Iraq's neighbors to non-intervention and to Iraq's territorial integrity.

A New Cooperative Security Framework in the Gulf:

- Work to develop a long-term strategy of regional cooperation

Address Iraq's humanitarian crisis:

- Establish an international working group dedicated to addressing the Iraqi refugee crisis.
- Increase American investments in Iraq's refugees and internally displaced people and to the neighboring countries that house them to at least \$2 billion.
- Work with Jordan, Lebanon, Syria and Egypt to dramatically increase access to social services for refugees.
- Create safe-havens for Iraqis who remain in Iraq.
- Secure International Assistance: contributions to humanitarian relief, refugee care and integration, and economic assistance.
- Prevent Genocide by holding the perpetrators of potential war crimes, crimes against humanity, and genocide accountable for their crimes

Fulfill America's Obligation to Accept Refugees:

- Expedite the Department of Homeland Security's review of Iraqi asylum applicants'.

Military Strain:

- The military is being severely strained by repeated and lengthy deployments.

Hillary Rodham Clinton

Three-step plan would bring our troops home, work to bring stability to the region, and replace military force with a new diplomatic initiative to engage countries around the world in securing Iraq's future.

- 1) Starting Phased Redeployment within first days in office: The Most important part of plan is the first: to end our military engagement in Iraq's civil war and immediately start bringing our troops home Convene the Joint Chiefs of Staff, her Secretary of Defense, and her National Security Council. She would direct them to draw up a clear, viable plan to bring our troops home starting with the first 60 days of her Administration.
- 2) Securing Stability in Iraq as We Bring our Troops Home. Direct aid to the entities -- whether governmental or non-governmental -- most likely to get it into the hands of the Iraqi people.
- 3) A New Intensive Diplomatic Initiative in the Region. Convene a regional stabilization group composed of key allies, other global powers, and all of the states bordering Iraq. The mission of this group would be to develop and implement a strategy to create a stable Iraq. Three specific goals:
 - *Non-interference.* Working with the U.N. representative, the group would work to convince Iraq's neighbors to refrain from getting involved in the civil war

- *Mediation.* The group would attempt to mediate among the different sectarian groups in Iraq with the goal of attaining compromises on fundamental points of disputes
- *Reconstruction funding.* The members of the group would hold themselves and other countries to their past pledges to provide funding to Iraq and will encourage additional contributions to meet Iraq's extensive needs.

As our forces redeploy out of Iraq, would also organize a multi-billion dollar international effort -- funded by a wide range of donor states -- under the United Nations High Commissioner for Refugees to address the needs of Iraqi refugees.

Clinton to Bush: Get Congressional Approval Before Moving Forward on US-Iraq Security Agreement

- Clinton's call comes on the heels of legislation she introduced yesterday requiring the President to work with Congress before moving forward on the agreement. The legislation's aims are two-fold: to forestall the Bush-Cheney administration's efforts to keep the war going even after it leaves office; and to thwart the Administration's latest executive power grab.

Clinton has consistently opposed the creation of permanent bases in Iraq.

II. Afghan-Pakistan War

John McCain

For both Afghanistan and Iran issues, McCain's Web site fails to cover the topics independently. After using his site search engine, there are links to multiple press releases where both countries are mentioned.

Barack Obama

Barack Obama believes that we need to begin to end the war in order to finish the fight in Afghanistan. He would redeploy at least two combat brigades (7,000 personnel) of rested, trained American troops to Afghanistan to reinforce our counter-terrorism operations and support NATO's efforts to fight the Taliban.

Hillary Rodham Clinton

Nothing found on her site but does state that Afghanistan should have been our main focus.

III. Iran

John McCain

Iran has been providing the most extreme and violent Shi'a militias with training, weapons, and technology that kill American and Iraqi troops. The answer is not unconditional dialogues with these two dictatorships from a position of weakness. The answer is for the international community to apply real pressure to Syria and Iran to change their behavior. The United States must also bolster its regional military posture to make clear to Iran our determination to protect our forces and deter Iranian intervention.

An ill conceived meeting between the President of the United States and the President of Iran, and the massive world media coverage it would attract, would increase the prestige of an implacable foe of the United States, and reinforce his confidence that Iran's dedication to acquiring nuclear weapons, supporting terrorists and destroying the State of Israel had succeeded in winning concessions from the most powerful nation on earth.

"This is not to suggest that the United States should not communicate with Iran our concerns about their behavior"

- A summit meeting with the President of the United States is the most prestigious card we have to play in international diplomacy.
- An unconditional summit meeting with the next American president would confer both international legitimacy on the Iranian president and could strengthen him domestically when he is unpopular among the Iranian people.
- It could very well convince him that those policies are succeeding in strengthening his hold on power, and embolden him to continue his very dangerous behavior.

Barack Obama

The Problem: Iran has sought nuclear weapons, supports militias inside Iraq and terror across the region, and its leaders threaten Israel and deny the Holocaust. But Obama believes that we have not exhausted our non-military options.

- Press Iran to stem the flow of foreign fighters, arms, and financial resources into Iraq
- Would be a tough negotiator with Iran, sending a clear message that they need to stop meddling in Iraq's affairs.
- No act of Congress – including Kyl-Lieberman – gives the Bush administration authorization to attack Iran.

Diplomacy:

- Supports tough, direct presidential diplomacy with Iran without preconditions.
- Would offer the Iranian regime a choice. If Iran abandons its nuclear program and support for terrorism, we will offer incentives like membership in the World Trade Organization, economic investments, and a move toward normal diplomatic relations. If Iran continues its troubling behavior, we will step up our economic pressure and political isolation.

Hillary Rodham Clinton:

- Must use all the tools at our disposal to address the serious challenge posed by Iran, including diplomacy, economic pressure, and sanctions.
- Policy of diplomacy backed by economic pressure is the best way to check Iran's efforts.

"We must work to check Iran's nuclear ambitions and its support of terrorism, and the sanctions announced today strengthen America's diplomatic hand in that

regard. The Bush Administration should use this opportunity to finally engage in robust diplomacy to achieve our objective of ending Iran's nuclear weapons program, while also averting military action. That is the policy I support.”

IV. Other Significant Topics: National Security

John McCain

A Strong Military in a Dangerous World:

- Protecting America's national security requires a strong military.
- America requires a larger and more capable military to protect our country's vital interests and deter challenges to our security.
- Recognizes the dangers posed by the proliferation of weapons of mass destruction, violent Islamist extremists and their terrorist tactics, and the ever-present threat of regional conflict that can spill into broader wars that endanger allies and destabilize areas of the world vital to American security.
- Has fought to modernize our forces and expands its technological edge.

Fighting Against Violent Islamic Extremists and Terrorist Tactics

Effective Missile Defense

- Supports the development and deployment of theater and national missile defenses

Increasing the Size of the American Military

- Must enlarge the size of our armed forces.
- Not to roll back our overseas commitments.
- Important to increase the size of the Army and Marine Corps

Modernizing the Armed Services

- Procuring advanced weapons systems.
- Adapting our doctrine, training, and tactics for the kind of conflicts we are most likely to face.

Smarter Defense Spending